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Carl J. Schramm, Ph.D.
PRESIDENT AND CEO

February 20, 2007

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Dear ____:

I write as chair of the Advisory Committee on Measuring Innovation in the 21st Century in anticipation of our first meeting this Thursday. As you know, Secretary Gutierrez has charged this Committee with developing “new and improved measures of innovation” in three areas: how innovation occurs in different sectors of the economy, how it is diffused across the economy, and how it affects economic growth.

The enclosed memorandum suggests that while we recognize that the American economy is changing in fundamental ways—and that most of this change relates directly to innovation—our understanding remains incomplete. Indeed, data collection and measurement, while seemingly mundane, loom large in understanding these changes. Policymakers, investors, executives, managers, consumers, and researchers require accurate and complete information for their decisions and actions. The centrality of measurement cannot be understated.

I enclose three recent essays from the Wall Street Journal. The first, by Amar Bhidé and me, relates the importance of innovation to growth. The second is on the interrelation between entrepreneurial activity and innovation by Ned Phelps, our newest Nobel Prize winner in economics. The third, by Harry Evans, appeared in Saturday’s paper and differentiates innovation and entrepreneurship.

We have in front of us an exciting and important opportunity and I look forward to working with each of you as we explore this important topic.

Sincerely yours,



Carl J. Schramm

Enclosure(s)

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